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12 [Proposed] Attorneys for Debtor and
13 Debtor in Possession

14 **UNITED STATES BANKRUPTCY COURT**
15 **FOR THE DISTRICT OF NEVADA**

16 In re:
17 SPECIALTY TRUST, INC., et al.

- 18 ☐ Affects this Debtor
19 ☒ Affects all Debtors
20 ☐ Affects Specialty Acquisition Corp.
21 ☐ Affects SAC II
22 ☐ Affects SAC D-1, LLC

Chapter 11

Jointly Administered under
Case No. 10-51432-GWZ

Case Nos.
10-51432
10-51437
10-51440
10-51441

DECLARATION OF NELLO
GONFIANTINI III IN SUPPORT OF
DEBTORS' REPLY TO
LEDGEMONT OBJECTION TO
EMPLOYMENT OF IMPERIAL
CAPITAL

Hearing Date: June 22, 2010
Hearing Time: 11:00 a.m.
Place: 300 Booth Street
Reno, NV 89509

1 I, Nello Gonfiantini III, declare:

2 1. I am the current chairman and chief executive officer of the above-captioned
3 debtors and debtors in possession Specialty Trust, Inc., et al. (the "Debtors"). Except as
4 otherwise indicated, the statements made herein are based on my personal knowledge.

5 2. I have carefully reviewed the Objection of Ledgemont Capital Group LLC
6 ("Ledgemont"). The Debtors engaged Ledgemont pre-petition as their investment banker, which
7 engagement has expired under its own terms. After the filing of the chapter 11 petition, the
8 Debtors and their Board of Directors spent several weeks interviewing Imperial Capital and
9 Alvarez & Marsal as alternative investment bankers, while still considering Ledgemont. The
10 Shareholders' Committee, along with its counsel, attended the interviews with Alvarez & Marsal
11 as well as Imperial Capital.
12

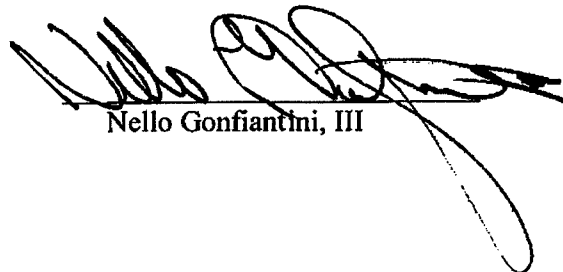
13 3. During the engagement with Ledgemont, I was the Debtors' primary contact
14 communicating with Ledgemont. During the entire time of the Ledgemont engagement,
15 Ledgemont only introduced the Debtors to one firm, Equifin, that expressed any interest in the
16 Debtors. Additionally, I was neither introduced by phone nor e-mail to any investors other than
17 Equifin by Ledgemont. In my two trips to New York to visit with Ledgemont earlier this year, I
18 only had one meeting with any investor, which was Equifin.
19

20 4. I have never had any indication from Ledgemont that any other potential investors
21 existed, other than Equifin. However, it is my understanding that Ledgemont sent out a mailing
22 to potential investors, and that Ledgemont believes that some day one of those entities might be
23 interested in the Debtors.
24

25 5. Finally, I have never been provided with any list of potential investors by
26 Ledgemont.
27
28

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1 I declare under penalty of perjury that the foregoing is true and correct, and that this
2 declaration was executed this 21st day of June, 2010 at Reno, Nevada.

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5 Nello Gonfiantini, III
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